

Article - Alcoholic Beverages

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§5–101.

(a) In this subtitle the following words have the meanings indicated.

(b) “Beer distributor” means a person that imports or causes to be imported into the State, or purchases or causes to be purchased in the State, beer for sale or resale to a retail dealer licensed under this article without regard to whether the business of the person is conducted under a beer franchise agreement or another form of agreement with a beer manufacturer.

(c) “Beer franchise agreement” means:

(1) a commercial relationship between a beer distributor and beer manufacturer that:

(i) is of a definite or indefinite duration; and

(ii) is not required to be in writing;

(2) a relationship in which a beer manufacturer grants a beer distributor the right to offer and sell the brands of beer offered by the beer manufacturer;

(3) a relationship in which a beer distributor, as an independent business, constitutes a component of a beer manufacturer’s distribution system;

(4) a relationship in which a beer distributor’s business is substantially associated with a beer manufacturer’s brand, advertising, or another commercial symbol that designates the beer manufacturer;

(5) a relationship in which a beer distributor’s business relies substantially on a beer manufacturer for the continued supply of beer; or

(6) a written or oral arrangement of definite or indefinite duration in which:

(i) a beer manufacturer grants to a beer distributor the right to use a trade name, trademark, service mark, or related characteristic; and

(ii) there is a community of interest in the marketing of goods or services at wholesale or retail, by lease, or by another method.

(d) “Beer manufacturer” means:

(1) a brewer, fermenter, processor, bottler, or packager of beer located in or outside the State; or

(2) a person located in or outside the State that enters into a beer franchise agreement with a beer distributor doing business in the State.

(e) “Fair market value” means the price at which an asset would change hands between a willing seller and a willing buyer when:

(1) neither is acting under any compulsion; and

(2) both have knowledge of all of the relevant facts.

(f) “Franchisee” means:

(1) a beer distributor to whom a beer franchise agreement is granted or offered; or

(2) a beer distributor that is a party to a beer franchise agreement.

(g) “Franchisor” means a beer manufacturer that:

(1) enters into a beer franchise agreement with a beer distributor; or

(2) is a party to a beer franchise agreement.

(h) “Sales territory” means the area of sales responsibility designated by a beer franchise agreement for the brand or brands of beer of a beer manufacturer.

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